



ASEAN-CHINA INVESTMENT AGREEMENT

AGREEMENT

15 August 2009

The ASEAN-China Investment Agreement, signed on 15 August 2009, is the third of three main agreements concluded under the 2002 ASEAN-China Framework Agreement on Comprehensive Economic Co-operation, the other two being the Trade in Goods and the Trade in Services Agreements.

ASEAN and China are major trading partners with total trade of up to US\$200 billion per annum. China is currently ASEAN's third largest trading partner and given the strong rate of expansion, economic and trade ties are expected to further intensify in the near future. The conclusion of an Investment Agreement is timely as this provides an enabling environment that will lead to enhanced investment flows between both sides at a time when ASEAN and China are both key emerging economies with strong economic prospects. China's investment in ASEAN was a cumulative US\$6.1 billion up to the end of 2008, while ASEAN's investments into China alone totalled US\$5.6 billion in 2008.

Objectives

The ASEAN-China Investment Agreement aims to promote investment flows and to create liberal, facilitative, transparent and competitive investment regimes on both sides by:

- progressively liberalising the investment regimes of the parties;
- creating favourable conditions for investment of the parties;
- encouraging and promoting the flow of investment and cooperation on investment-related matters;
- improving the transparency of investment rules conducive to increased investment flows; and
- providing for the protection of investments.

Scope

The scope of investment covered under the Agreement is wide-ranging and includes movable and immovable property, portfolio investment, intellectual property rights, and business concessions.

China and ASEAN will also work towards the promotion and facilitation of investment through:

- joint investment promotion activities;
- business matching events;
- seminars and briefings on investment opportunities;
- simplifying procedures for investment applications and approvals;
- promoting the dissemination of investment information, including investment rules, regulations, policies and procedures; and
- establishing one-stop centres to provide advisory services to the business sectors including facilitation of operating licences and permits.

Benefits

Investors from both ASEAN and China will stand to gain from this ASEAN-China Investment Agreement in terms of:

- similar treatment granted to both ASEAN and Chinese investors, subject to certain conditions, in respect of the management, conduct, operation, maintenance, use, sale, liquidation or other forms of disposal of such investments;
- continued attempts by both sides to work towards progressively ensuring non-discriminatory treatment;
- fair and equitable protection of investment including recourse to legal and administrative proceedings;
- clear guidelines on expropriation, compensation for losses and transfer and repatriation of profits; and
- specific dispute settlement provisions, in particular for disputes between a party and an investor, with recourse to international arbitration proceedings.*

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FACT SHEET

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